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INFO RUCNCFE/CONVENTIONAL ARMED FORCES IN EUROPE  
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TAGS: [BK](#) [HR](#) [KCFE](#) [MW](#) [OSCE](#) [PARM](#) [PREL](#) [SR](#) [XG](#)  
SUBJECT: DAYTON ARTICLE IV: CONTACT GROUP SUPPORT FOR  
GIVING OWNERSHIP OF CSBM TO BALKANS

REF: A. USOSCE 000073  
[1](#)B. USOSCE 000084

Classified By: Chief Arms Control Delegate Hugh Neighbour for reasons 1  
.4(B)&(D)

[1](#)1. (C) Summary: The Dayton Article IV Contact Group (CG) met July 8 with the OSCE Personal Representative for Dayton Article IV (PR), Italian Brigadier General Costanzo Periotto and his staff, to discuss the PR's proposal for the ownership plan. This envisions a multi-year gradual transfer of technical and administrative responsibilities to the Dayton Article IV parties. After Russia expressed apprehensions regarding the pace and expense during a CG meeting in June, Periotto traveled in early July to the Balkans get consent for his plan from the Parties to the agreement (Bosnia, Croatia, Montenegro, and Serbia). The PR's trip resulted in unanimous support for the plan from all Dayton Article IV countries. This appears to have assuaged Russian concerns.

[1](#)2. (C) The Contact Group (France, Italy, Germany, Russia, UK and the U.S.) offered tentative consensus in support of Periotto's proposal at its July meeting and is in the process of drafting a joint letter to the PR to formalize support for the PR's vision on future of the Dayton Arms control regime. The Contact Group now plans to meet on July 22 regarding the joint letter. Action request in paragraph 10. End Summary.

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Background  
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[1](#)3. (SBU) Background note: Dayton Article IV was established in 1996 and is patterned after the Treaty on Conventional

Armed Forces in Europe. It is a successful arms control regime under the auspices of the OSCE for what now are four states of the former Yugoslavia: Bosnia and Herzegovina, the Republic of Croatia, Montenegro, and the Republic of Serbia. The Dayton Article IV Contact Group consists of OSCE mission representatives from France, Italy, Germany, Russia, the United Kingdom, and the United States. The CG meets periodically to discuss national positions and concerns regarding the Dayton Article IV process and makes recommendations and provides advice to the PR regarding Article IV operational and implementation issues. End note.

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Periotto's Balkan Readout  
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¶4. (C) In a July 8 meeting with the Contact Group (CG), the OSCE Personal Representative for Dayton Article IV BG Periotto informed the CG of the outcome of his recent trip to Serbia, Montenegro, and Bosnia and Herzegovina, to discuss with key Balkan representatives the future of the Dayton Article IV arms control regime. The Parties had previously expressed some reservations regarding the ownership plan at the 42nd Sub-Regional Consultative Commission (SRCC) in March, whereby all parties sought to avoid a rapid transfer of responsibilities (Ref A and B). Periotto informed the CG that the parties to the Dayton IV agreement were now, however, unanimous in their intentions to take on greater, but more gradual ownership of the administrative and technical aspects of the agreement.

¶5. (C) With the unanimous support of the four Balkan states, the CG expressed broad support for the PR's approach. The Russian representative indicated he would recommend to Moscow that Russia support the plan but said that he believes more editing of the draft CG letter to the PR is necessary. (NOTE: The Contact Group's joint statement to the PR regarding the ownership plan remains in draft form but is intended to reflect the unanimous support from CG countries for the PR's way forward. It will be discussed among Contact Group representatives on 22 July. END NOTE.)

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Moscow's Initial Hesitation  
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¶6. (C) During a June 19 CG meeting, the Russian representative (Balakin) had expressed Moscow's concerns with the pace and cost of the PR's ownership plan, specifically that it could add greater economic burdens to the Parties in the midst of the current financial crisis. He said that Russia, before endorsing the plan, wanted to ensure that the four Parties to the agreement were onboard with the PR's proposal and were willing to gradually absorb the remaining technical and support responsibilities. The Russian concerns motivated Periotto's 29 June ) 3 July trip to the region during which he acquired the support of all Parties. As a result of the trip several press releases were issued highlighting the broad support for the ownership plan throughout the Balkans and this overcame Russia's initial hesitations.

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The Plan: Very Gradual Transfer, No Fixed Timetable  
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¶7. (SBU) The PR's ownership plan has two phases. The first is a gradual effort to transfer more substantive ownership issues such as formulating inspection plans, analyzing inspection results and conducting the annual data exchange, as well as providing support functions such as interpretation and administrative support for several Article IV conferences every year. The Office of the OSCE Personal Representative would correspondingly reduce its roles and responsibilities during this transition. The first phase is likely to take several more years and no fixed timetables or defined

milestones are included in the PR's plan. After the first phase is deemed successful and the political and military situation in the region is considered mature, the second phase could be initiated which would then transfer full autonomy to the Parties.

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Comment  
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¶18. (C) COMMENT: The PR's ownership plan, which has now been approved by the Dayton Article IV Parties themselves, is an appropriate path forward to increased ownership of responsibilities for the Parties to the accord: cautious, gradual, and conditioned, but forward moving. The plan outlines a secure avenue to slowly transfer technical and administrative duties to the states which already shoulder much of the responsibility for this arms control and inspection regime.

¶19. (C) The proposed Contact Group letter to Periotto, which is currently in draft penned by Germany, intends to endorse the PR's proposal and recommend the same gradual and cautious approach to a transfer of ownership with appropriate conditions and no fixed timetables. We believe that the Parties were reluctant to take on more responsibility at the March SRCC in part because of additional expense, but more likely because of what they perceived as a rapid transfer of responsibilities and a near-term disengagement of international support to the Dayton Article IV regime. This was never the intention of the PR's plan and this has since been clarified to the Parties. We believe Periotto's cautious and prudent plan merits support. END COMMENT.

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Contract Group Letter of Support  
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¶10. (C) Action request: Mission recommends supporting the PR's approach because it is consistent with the longstanding U.S. position of cooperation with and support of the PR and the Dayton Article IV countries. In addition, the Contact Group will meet on July 22 to discuss the text of a proposed draft letter (prepared by Germany) from the Contact Group countries to Periotto in support of the PR's approach. Post has e-mailed a copy of this draft to Washington. Please provide guidance or views. End action request.  
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